



CITY COUNCIL

Work Session

Meeting Report Monday, March 18, 2013

Council Members Attending: F. Acosta, M. Goodman-Hinnershitz, D. Reed, R. Corcoran, D. Sterner, S. Marmarou

Others Attending: L. Kelleher, J. Kromer, C. Younger, V. Spencer

Mr. Acosta called the work session to order at 7:15 pm.

Managing Director's Report

A report was not issued.

Council Staff Report

This report was distributed with the agenda electronically and hard copy.

Land Bank Ordinance

Mr. Acosta introduced John Kromer, housing consultant from FELS Institute.

Mr. Kromer stated that the Wyomissing Foundation funds his consulting fee which allows his assistance on housing issues to continue. He noted that it is rare for a Foundation to cover consulting fees and expressed the belief that the Foundation supports the progress the City has made on various housing initiatives.

Mr. Kromer stated that in October 2012 the State Legislature adopted legislation which provides PA municipalities with the ability to adopt local ordinances which would create land bank authorities. He stated that this is an important acquisition tool for municipalities. He suggested additional discussion and study of the tool in Reading. He also suggested not moving on the adoption of the ordinance too quickly. He stated that this tool would be another "blight fighter" and that as Reading already has other authorities such as the Housing, Redevelopment and Water authorities and this issue should be re-examined

carefully before a new authority is created. Instead he encouraged Reading to focus on blight and foreclosed properties selectively.

Mr. Kromer stated that the legislation provides a municipality with improved standing at Judicial and Repository sales by allowing the land bank authority to be the sole bidder. He noted that at the last tax sale 23 of the last 53 properties had no bidders. He expressed the belief that these properties are probably the most neglected properties. He expressed the belief that with the real estate market improving more properties will be purchased at Tax Sales for higher prices.

Mr. Kromer stated that if the land bank took these properties they would need to fund the purchase price and the subsequent maintenance of properties. Instead he suggested that the City focus on the most marketable tax sale properties and resell them to pre-qualified developers, which could begin to build the funding required for land bank activities.

Mr. Kromer suggested that Council and the Administration discuss the land bank issue further before taking the issue to the Council and School District.

Mr. Corcoran agreed that the real estate market is improving and with that investors will begin purchasing properties to rehab and flip.

Mr. Acosta noted that the down housing market has negatively impacted the appraisals of properties due to reduced sales prices.

Mr. Marmarou moved, seconded by Ms. Reed, to adjourn the work session at approximately 7: 40 pm.

Respectfully submitted by Linda A. Kelleher CMC, City Clerk